

City of Detroit


CITY COUNCIL

IRVIN CORLEY, JR.
FISCAL ANALYST
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
E-Mail: cc-fiscal@ci.detroit.mi.us

ANNE MARIE LANGAN
ASSISTANT FISCAL ANALYST
(313) 224-1078

TO: Cylenthia Miller, Director
Detroit Workforce Development Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: May 2, 2006

RE: 2006-2007 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2006-2007 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:cyb

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Charlayne Parker, Budget Department Team Leader
Roger Short, Interim Chief Financial Officer
Kandia Milton, Mayor's Office

Detroit Workforce Development Department (21)

FY 2006-2007 Budget Analysis by the Fiscal Division

Summary

The Detroit Workforce Development Department is a General Fund Agency. The recommended 2006-2007 budgeted appropriations total \$55.3 million, which represents a \$3.8 million decrease from the current fiscal year budget. The Department's net tax cost to the City is \$2,000, which is the same as the current fiscal year.

The Mayor does not recommend any change in the number of positions in the proposed 2006-2007 budget; the number of positions will remain at its 95 grant funded positions.

2005-2006 Surplus/(Deficit)

There is no projected deficit or surplus for the 2005-2006 fiscal year.

Overtime

In the 2005-2006 budget there is \$112,500 budgeted for overtime. Actual overtime incurred year-to-date is \$49,539. There is \$150,000 budgeted for overtime in the proposed 2006-2007 budget.

Personnel and Turnover Savings

No employee turnover savings have been identified for the Detroit Workforce Development Department.

Following is information by appropriation comparing budgeted FY 2005-06 positions, March 31, 2006 filled positions and FY 2006-07 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2005-06</u>	<u>Filled Positions 3/31/2006</u>	<u>Mayor's Budget Positions FY 2006-07</u>	<u>Over/(Under) Actual to 05/06 Budget</u>	<u>Mayor's Recommended Turnover</u>
Detroit Workforce Development Department (21):					
11637 Work First Training Related	95	0	0	(95)	\$ -
11961 Work First FY07	0	0	95	0	\$ -
21XXXX Leave of Absence	0	0	0	0	\$ -
21XXXX Worker's Comp.	0	0	0	0	\$ -
21XXXX Unmatched Positions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>
TOTAL	<u>95</u>	<u>0</u>	<u>95</u>	<u>(95)</u>	<u>\$ -</u>

Proposed Layoffs and Vacant Position Reductions

There are no layoffs or vacant position reductions budgeted for this department.

Significant Funding Changes by Appropriations

<u>Appro.</u>	<u>Program</u>	
11961	Work First	The Mayor's 2006-2007 Proposed Budget is \$22.9 million, which is an increase of \$2.0 million over fiscal year 2005-2006. The former appropriation was 11637 - Work First.
11965	Food Stamp Only FY07	The Mayor's 2006-2007 Proposed Budget is \$1.5 million, which is a decrease of \$0.7 million from fiscal year 2005-2006. The former appropriation was 11638 - Food Stamp Only.
11966	Food Stamp Only SS FY07	The Mayor's 2006-2007 Proposed Budget is \$25,199, which is a decrease of \$2,357 from fiscal year 2005-2006. The former appropriation was 11639 - Food Stamp Only SS.
12019	Employment Service FY07	The Mayor's 2006-2007 Proposed Budget is \$1.9 million, which is a decrease of \$0.3 million from fiscal year 2005-2006. The former appropriation was 11640 – Employment Service.
12021	Reemployment Service Initiative FY07	The Mayor's 2006-2007 Proposed Budget is \$235,468, which is an increase of \$85,185 from fiscal year 2005-2006. The former appropriation was 11641 – TAA.
12022	NAFT – TAA FY07	The Mayor's 2006-2007 Proposed Budget is \$500,000, which is an increase of \$1,382 from fiscal year 2005-2006. The former appropriation was 11642 – NAFTA - TAA.
12023	Job Access Reverse Commute FY07	The Mayor's 2006-2007 Proposed Budget is \$1,500,000, which is an increase of \$2,847 from fiscal year 2005-2006. The former appropriation was 11644 – Enhanced Mobility.
12026	One Stop Operation GF/GP FY07	The Mayor's 2006-2007 Proposed Budget is \$500,000, which is no change from the amount in the fiscal year 2005-2006 budget. The former appropriation was 11645 – One Stop Operations GF/GP.
12027	WIA Adult FY07	The Mayor's 2006-2007 Proposed Budget is \$6,127,712, which is an increase of \$665,068 from fiscal year 2005-2006. The former appropriation was 11646 – WIA Adult.

12043	WIA Dislocated Worker FY07	The Mayor's 2006-2007 Proposed Budget is \$6,282,895, which is an increase of \$570,143 from fiscal year 2005-2006. The former appropriation was 11647 – WIA Dislocated Worker.
12044	WIA Dislocated Incumbent FY07	The Mayor's 2006-2007 Proposed Budget is \$212,959 which is a decrease of \$2,062 from fiscal year 2005-2006. The former appropriation was 11648 – WIA Incumbent Worker.
12046	WIA Youth FY07	The Mayor's 2006-2007 Proposed Budget is \$7,139,180, which is an increase of \$902,198 from fiscal year 2005-2006. The former appropriation was 11649 – WIA Youth.
12047	WIA Youth Statewide	The Mayor's 2006-2007 Proposed Budget is \$93,369, which is no change from the amount in the fiscal year 2005-2006 budget. The former appropriation was 11650 – WIA Youth Statewide.
12048	WIA Administration FY07	The Mayor's 2006-2007 Proposed Budget is \$1,754,703, which is a decrease of \$423,961 from fiscal year 2005-2006. The former appropriation was 11651 – WIA Administration.
11643	DWSD Compact	Funds for this program discontinue in the Mayor's 2006-2007 Proposed Budget. This eliminates \$250,000 from the 2005-2006 Redbook.
11963	Work First State GF/GP FY07	The Mayor's 2006-2007 Proposed Budget is \$4,655,752, which is a decrease of \$1,351,761 from fiscal year 2005-2006. The former appropriation was 11722 – Work First State GF/GP.
11734	Focus Hope State GF/GP	Funds for this program discontinue in the Mayor's 2006-2007 Proposed Budget. This eliminates \$4,978,659 from the 2005-2006 Redbook.

Detroit Workforce Development Department (21)

Budgeted Professional and Contractual Services by Activity	FY 2005-06 <u>Budget</u>	FY 2006-07 <u>Recommended</u>	Increase <u>(Decrease)</u>
Adult Client Services	\$ 478,214	\$ 577,196	\$ 98,982
Youth Services	<u>39,510</u>	<u>-</u>	<u>(39,510)</u>
Total	<u>\$ 517,724</u>	<u>\$ 577,196</u>	<u>\$ 59,472</u>

Significant Revenue Changes

Appropriation	Fiscal Year 2005-2006 Budget	Mayor's 2006-2007 Proposed Budget	Difference - This Year Over/(Under) Last Year
Work First	\$20,935,301	\$22,938,269	\$ 2,002,968
Food Stamp Only	2,165,305	1,485,919	(679,386)
Food Stamp Only SS	27,556	25,199	(2,357)
Employment Service	2,200,178	1,882,271	(317,907)
TAA	150,283	235,468	85,185
NAFTA – TAA	498,618	500,000	1,382
Enhanced Mobility	1,497,153	1,500,000	2,847
One Stop Operations	500,000	500,000	-
WIA Adult	5,462,644	6,127,712	665,068
WIA Dislocated Worker	5,712,752	6,282,895	570,143
WIA Incumbent Worker	215,021	212,959	(2,062)
WIA Administration	2,178,664	1,754,703	(423,961)
DWSD Compact	250,000	-	(250,000)
WIA Youth	6,236,982	7,139,180	902,198
WIA Youth Statewide	93,369	93,369	-
Work First State GF/GP	6,017,513	4,665,752	(1,351,761)
Focus Hope State GF/GP	<u>4,978,659</u>	<u>-</u>	<u>(4,978,659)</u>
Total	\$59,119,997	\$55,343,696	(\$3,776,301)

Issues and Questions

1. Why is the Focus Hope grant being eliminated? Is this funding a part of YOI?
2. How will citizens be impacted by the scheduled elimination or reduction of many of the employment and training programs?
3. How many citizens will be impacted by the scheduled elimination or reductions?
4. Does the department coordinate its efforts with the City's Grants Acquisition section?
5. How likely is the Department to meet its other revenue estimates in 2006-2007?
6. Why is the number of budgeted positions for the Work First grant different? In fiscal year 2005-2006 the budgeted number of position is 95. However in the proposed budget, although it states 95, the column only adds to 92. Are the Manager, the Deputy Director, and the Director included in the number of position in the proposed budget? Is it correct to assume that these three positions remain?

IC:AG